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UNCLAS SECTION 01 OF 02 KUWAIT 000153

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STATE FOR NEA/ARP, USTR FOR JBUNTIN

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SUBJECT: KUWAIT RESPONSE: IMPLEMENTATION OF THE ARAB LEAGUE
BOYCOTT IN KUWAIT

REF: STATE 08509

¶1. (SBU) Summary: Kuwait Customs Director General Ibrahim Al-Ghanim downplayed Kuwait's adherence to the Arab League Boycott during a February 7 meeting with Econoff. The Arab League Boycott (ALB) Office lies within the Directorate General of Customs and is directly supervised by the DG. Al-Ghanim clarified that Kuwait does not have a specific law, statute or regulation implementing the 1994 GCC declaration, but that Kuwait has not applied secondary or tertiary aspects of the ALB since 1991. Al-Ghanim stressed that Kuwait applies only the primary boycott, and even this has not been a serious issue in Kuwait in many years. He also affirmed that Kuwait has removed all firms and entities that were on the boycott list due to secondary or tertiary boycott prior to 1991. Al-Ghanim declined the U.S. offer to train officers in the Boycott office, stating that this office is not active and is merely a "paper tiger." End Summary.

¶2. (SBU) During a February 7 meeting with Econoff, Customs DG Ibrahim Al-Ghanim stressed that Kuwait has not applied secondary or tertiary aspects of the Arab League boycott since 1991, well before the 1994 GCC declaration revoking the boycott. There are no laws, regulations or circulars that enforce the 1994 GCC declaration, but it has been part of Kuwait "standard operating procedure" for a very long time, he said. When asked why no law or regulation has been passed in this regard, he answered that this would be seen as unnecessary since secondary or tertiary boycott has not been an issue for more than 16 years. He added that companies that were on the boycott list prior to 1991 have been removed from the list.

¶3. (U) Kuwait does, however, have laws regarding primary boycott of Israeli goods. For example, following is the text of Kuwait Commercial Law No. 68 (1980): "Article 62 is amended per Decree no. 1 dated January 14, 2001, as follows: the following are not valid to be trademarks and not permitted to be registered; Clause 7: Trademarks that "Arab Boycott Office" has determined are identical or similar to an Israeli mark, symbol, or logo." Several other sections of commercial and trade law state similar bans on Israeli products. Post will send text of these laws by unclassified email to NEA/ARP Ashley Bagwell and NEA/RA Joe Scovitch.

¶4. (U) Econoff asked the DG about occasional reports of tender documents with boycott clauses. He said the GOK has worked very hard to amend all its tender documents to remove the boycott clauses. He assured us that all have been removed as of 2000. He has not seen any cases, complaints or reports of any tender documents in the last eight years that allege boycott clauses in tender documents.

¶5. (SBU) Al-Ghanim declined our offer to have Kuwaiti customs

officers work with USG officials to modify problematic requests, adding that compliance requests and errors connected to them are a very rare occurrence. He stressed that the boycott office only has a staff of three and the director of the office has been ill for a long time. No real work is being done by this office, he said. This office exists merely to "maintain the status quo." Kuwait attends, but does not actively participate in, all the Arab League Conferences in Damascus, he admitted, but this is purely to "avoid undue attention" on this issue in Kuwait. In fact, he added, in recent years Kuwait has tried to influence other countries in the Arab League to revoke secondary and tertiary boycotts. Most recently, according to Al-Ghanim, Kuwait talked to Morocco and Lebanon about lifting the secondary and tertiary ban. North African countries are leaning towards eliminating these boycotts partly because of Kuwaiti influence, he argued.

¶6. (SBU) Al-Ghanim continued that the boycott office is open in name only and does not take serious action against violators. When they do identify Israeli goods in the local market, they enforce a nominal fine on the merchant and confiscate the product, he said. He added that this office has not referred any such cases to prosecution in many years. The POC for this office on all boycott-related issues is the DG of Customs Ibrahim Al-Ghanim. The acting Director of the Boycott Office is Waleed Al-Hammad. However, only the DG of Customs speaks on boycott issues.

¶7. (U) Post has not heard of Kuwaiti officials requesting compliance with or soliciting information regarding compliance with boycott of Israel. Nor has the Kuwaiti government issued any public statements in the last year supporting or discouraging compliance with the boycott.

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Al-Ghanim said that this boycott has not really been an important issue in Kuwait for a very long time.

¶8. (U) Al-Ghanim admitted that in the past the Customs office received numerous letters from U.S. companies complaining that they were receiving requests from the GOK to comply with ALB. He assured us that there have been no such incidents "in several years" and any new reports were unfounded. He is unaware of any GOK official, entity, office or ministry making such a request in the last few years. He asked that the Embassy contact him directly if we receive any such complaint.

¶9. (SBU) Al-Ghanim promised to consider issuing circulars reminding public and private entities to abandon secondary and tertiary aspects of the boycott. He commented, however, that such a circular would be unnecessary in Kuwait as this has not been an issue for many years here. He welcomed USG Commerce-State teams for technical meetings and assured that he does not see any obstacle to working with the USG on this or any other customs-related issue.

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